House Amendment 8147

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                Amend House File 2627 as follows:
          2 #1. By striking everything after the enacting
          3 clause and inserting the following:
               <Section 1. Section 7E.6, subsection 3, Code
          5 Supplement 2005, is amended to read as follows:
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                 3. Any position of membership on the board of the
             Iowa lottery authority division shall receive
         8 compensation of fifty dollars per day and expenses.
9 Sec. 2. Section 7J.1, subsection 1, Code
10 Supplement 2005, is amended to read as follows:
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               1. DESIGNATION OF CHARTER AGENCIES == PURPOSE.
         12 The governor may, by executive order, designate state 13 departments or agencies, as described in section 7E.5,
         14 or the Iowa lottery authority established in chapter
         15 99G, other than the department of administrative
      1 16 services, or the department of management, or the Iowa 1 17 lottery division established in chapter 99G, as a
      1 18 charter agency by July 1, 2003. The designation of a 1 19 charter agency shall be for a period of five years
         20 which shall terminate as of June 30, 2008. The
         21 purpose of designating a charter agency is to grant
         22 the agency additional authority as provided by this
         23 chapter while reducing the total appropriations to the
         24 agency.
         25
                 Sec. 3.
                           Section 8A.201, subsection 4, paragraph f,
         26 Code Supplement 2005, is amended to read as follows: 27 f. The Iowa lottery authority division.
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                 Sec. 4. Section 68B.35, subsection 2, paragraph e,
         29 Code 2005, is amended to read as follows:
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                e. Members of the state banking council, the
         31 ethics and campaign disclosure board, the credit union
         32 review board, the economic development board, the
         33 employment appeal board, the environmental protection 34 commission, the health facilities council, the Iowa
         35 finance authority, the Iowa public employees'
36 retirement system investment board, the board of the
         37 Iowa lottery <u>authority division</u>, the natural resource 38 commission, the board of parole, the petroleum
         39 underground storage tank fund board, the public
         40 employment relations board, the state racing and 41 gaming commission, the state board of regents, the tax
         42 review board, the transportation commission, the
         43 office of consumer advocate, the utilities board, the 44 Iowa telecommunications and technology commission, and
         45 any full=time members of other boards and commissions
         46 as defined under section 7E.4 who receive an annual
         47 salary for their service on the board or commission.
         48 The Iowa ethics and campaign disclosure board shall
         49 conduct an annual review to determine if members of
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         50 any other board, commission, or authority should file 1 a statement and shall require the filing of a
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          2 statement pursuant to rules adopted pursuant to
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          3 chapter 17A.
4 Sec. 5. Section 99B.1, subsection 20, Code 2005,
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          5 is amended to read as follows:
                 20. "Merchandise" includes lottery tickets or
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          7 shares sold or authorized under chapter 99G. The 8 value of the ticket or share is the price of the
          9 ticket or share as established by the Iowa lottery
         10 authority division pursuant to chapter 99G.
11 Sec. 6. Section 99B.7, subsection 1, paragraph 1,
12 subparagraph (1), Code Supplement 2005, is amended to
         13 read as follows:
         14 (1) No other gambling is engaged in at the same
15 location, except that lottery tickets or shares issued
         16 by the Iowa lottery authority division may be sold
         17 pursuant to chapter 99G.
18 Sec. 7. Section 99G.1, Code 2005, is amended to
        19 read as follows:
         20
                 99G.1 TITLE.
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                 This chapter may be cited as the "Iowa Lottery
      2 22 Authority Act".
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2 23 Sec. 8. Section 99G.2, subsection 2, Code 2005, is 2 24 amended by striking the subsection.

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Sec. 9. Section 99G.3, subsection 2, Code 2005, is
2 26 amended to read as follows:
              "Authority" "Division" means the Iowa lottery
          2.
  28 authority division of the department of inspections
  <u>29 and appeals</u>.
        Sec. 10.
2 30
                     Section 99G.4, subsection 1, Code 2005,
2 31 is amended to read as follows:
          1. An Iowa lottery <u>authority</u> <u>division</u> is <del>created</del>,
  33 effective September 1, 2003, established within the
   <u>34 department of inspection and appeals</u> which shall
2 35 administer the state lottery. The authority shall be
2 36 deemed to be a public authority and an instrumentality
2 37 of the state, and not a state agency. However, the
  38 authority shall be considered a state agency for
2 39 purposes of chapters 17A, 21, 22, 28E, 68B, 91B,
2 40 509A, and 669.
2 41 Sec. 11. Section 99G.7, subsection 1, paragraph e, 2 42 Code 2005, is amended to read as follows:
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        e. Prepare a budget proposal for the approval of
2 44 the board.
                      Section 99G.8, subsection 1, Code 2005,
         Sec. 12.
2 46 is amended to read as follows:
2.47
          1. The authority division shall be administered by
  48 a board of directors <u>created</u> within the <u>department of</u> 49 inspections and <u>appeals and</u> comprised of five members
2 50 appointed by the governor subject to confirmation by 3 1 the senate. Board members appointed when the senate
      is not in session shall serve only until the end of
   3 the next regular session of the general assembly,
   4 unless confirmed by the senate.
          Sec. 13. Section 99G.9, subsection 1, Code 2005,
      is amended to read as follows:
          1. Approve, disapprove, amend, or modify the
   8 budget recommended by the chief executive officer for 9 the operation of the authority division for submission
  10 pursuant to section 8.23.
  11 Sec. 14. Section 99G.9, subsection 3, unnumbered 12 paragraph 1, Code 2005, is amended to read as follows:
          Adopt policies and procedures and promulgate
3 14 administrative rules pursuant to chapter 17A relating
  15 to the management and operation of the authority
  16 <u>division</u>. The administrative rules promulgated
  17 pursuant to this subsection may shall include but
  18 shall not be limited to the following:
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          Sec. 15. Section 99G.9, subsection 3, paragraph a,
3 20 Code 2005, is amended to read as follows:
3 21
          a. The type of games to be conducted.
      shall
             <u>provide that the name of a game operated on a </u>
  23 monitor vending machine as described in section
  24 99G.30A shall not be the same as a gambling game
  25 authorized for use pursuant to chapter 99F. The board 26 shall only authorize for use any type of lottery game
                                                              The board
  27 and manner of playing that game that was authorized
  28 for use in this state as of July 1, 2006.
29 Sec. 16. Section 99G.9, Code 2005, is amended by
  30 adding the following new subsection:
          NEW SUBSECTION. 4A. To establish a process to
  32 allow a person to be voluntarily excluded for life
33 from purchasing a lottery ticket or share for lottery
34 games authorized by this chapter. The process
  35 established shall require that the division
  36 disseminate information regarding persons voluntarily
  37 excluded to all retailers under this chapter and, if
  38 applicable, to licensees under chapters 99D and 99F.
39 The state, the division, retailers under this chapter,
40 and, if applicable, any licensee under chapter 99D or
  41 99F shall not be liable to any person for any claim
  42 which may arise from this process. In addition to any 43 other penalty provided by law, any money or thing of
  44 value that has been obtained by, or is owed to, a
  45 voluntarily excluded person by the division as a
  46 result of playing any lottery game by the person after 47 the person has been voluntarily excluded shall not be
  48 paid to the person but shall be deposited into the
  49 gambling treatment fund created in section 135.150.
50 The division shall coordinate with the racing and
   1 gaming commission to establish a unified process for
   2 allowing persons to be excluded for life under this
   3 chapter and chapters 99D and 99F, and to establish a
   4 statewide database of persons excluded under this
   5 process and those excluded under the process for
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6 racetrack enclosures and all other licensed facilities 7 under chapters 99D and 99F. Sec. 17. Section 99G.10, subsection 2, Code 2005, 4 9 is amended to read as follows: 2. Subject to the approval of the board, the chief 4 10 11 executive officer shall have the sole power to 12 designate particular employees as key personnel, but 13 may take advice from the department of administrative 4 14 services in making any such designations. All key 4 15 personnel shall be exempt from the merit system 16 described in chapter 8A, subchapter IV. The chief 4 17 executive officer and the board shall have the sole 4 18 power to employ, and classify, and fix the 19 compensation of key personnel who shall be compensated 20 pursuant to section 8A.413, subsection 2, under the 4 21 pay plan for exempt positions in the executive branch 22 of government. All other employees shall be employed, 4 23 classified, and compensated in accordance with chapter 4 24 8A, subchapter IV, and chapter 20. Sec. 18. Section 99G.10, subsections 3 and 5, Code 4 25 26 2005, are amended by striking the subsections. 27 Sec. 19. Section 99G.21, subsection 2, paragraphs 4 2.7 4 28 h and i, Code 2005, are amended by striking the 29 paragraphs. Section 99G.21, subsection 3, Code 2005, 3.0 Sec. 20. 31 is amended by striking the subsection. Sec. 21. Section 99G.30, subsection 4, Code 2005, 32 33 is amended to read as follows: 4. Except for the authority division, a retailer 35 shall only sell lottery products on the licensed 36 premises and not through the mail or by technological 37 means except as the <u>authority</u> <u>division</u> may provide or 4 38 authorize and subject to the requirements of section 99G.30A. Sec. 22. 4 Section 99G.30, Code 2005, is amended by 4 40 4 41 adding the following new subsection: NEW SUBSECTION. 8. Lottery products or shares 4 42 4 43 shall only be sold by a person at least eighteen years 4 44 of age. 4 45 Sec. 23. <u>NEW SECTION</u>. 99G.30A MONITOR VENDING 46 MACHINES == RESTRICTIONS. 47 1. It shall be lawful for a retailer to sell 48 lottery products or tickets by means of a monitor 4 49 vending machine pursuant to the requirements of the 50 division, but only if all of the following conditions 1 are met: a. A monitor vending machine shall only be 3 permitted or offered for use by a retailer in any 4 single location or premises for which a class "A", 5 class "B", class "C", special class "C", or class "D" 6 liquor control license or class "B" or class "C" 7 permit has been issued pursuant to chapter 123. b. A monitor vending machine shall not be located 9 on the premises of a retailer within twenty feet of an 10 automated teller machine. c. A retailer may locate no more than one monitor 12 vending machine at the retailer's premises and the 13 monitor vending machine shall be located in an area in 14 which a permanent physical barrier, as approved by the 15 division, restricts access to the monitor vending 16 machine. 17 The division shall not advertise or promote the 18 availability of monitor vending machines to the 19 public. In addition, a person or retailer shall not 20 advertise or promote the availability of a monitor 21 vending machine to the public as anything other than a 22 monitor vending machine dispensing lottery products or 23 tickets pursuant to rules adopted by the division.
24 e. A monitor vending machine offered to the public 25 shall be designed so as to be inaudible and with a 26 blank video monitor screen until the machine is 27 activated by a player. To activate a machine, a 28 player shall be required to obtain a code or similar 29 activating device from the retailer each time a player 30 wishes to activate and play a machine. In addition, 31 each machine shall be designed to require each player 32 to affirmatively respond to questions on the machine 33 as determined by the division prior to playing the 34 machine. The questions shall require responses 5 35 related to the minimum age required to play the 5 36 machine, the consequences if a person excluded from

5 37 purchasing lottery products plays the machine, and the 5 38 availability of gambling treatment programs.

- f. The minimum cost for a person to activate and 40 play a game on a monitor vending machine shall be no 5 41 less than one dollar.
 - g. A retailer with a monitor vending machine shall 43 make brochures concerning available gambling treatment 44 information readily available to players of the 45 machine.
 - 46 h. A retailer offering a monitor vending machine 47 to the public shall require that all employees 48 authorized to provide the code or similar activating 49 device to persons prior to activating and playing a 50 monitor vending machine shall be at least eighteen 1 years of age.

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- The number of monitor vending machines 3 authorized by the division and offered to the public 4 shall not exceed the number of monitor vending 5 machines that had been authorized and either located 6 on the licensed premises of a retailer or ordered by a retailer from an authorized manufacturer as of January 8 7, 2006.
- 2. For purposes of this section, "monitor vending 10 machine" means a machine or other similar electronic 11 device that includes a video monitor and audio 12 capabilities that dispenses to a purchaser lottery 13 tickets that have been determined to be winning or 14 losing tickets by a predetermined pool drawing machine 6 15 prior to the dispensing of the tickets. 16
 - Sec. 24. <u>NEW SECTION</u>. 99G.30B AGE RESTRICTIONS 17 == PENALTIES.
 - 1. A person under the age of twenty=one years 19 shall not purchase or attempt to purchase a lottery 20 ticket or share. A person who violates this 21 subsection commits a scheduled violation under section 22 805.8C, subsection 5.
 - 2. . If any retailer, or employee of a retailer, is 24 convicted or found in violation of section 99G.30, 25 subsection 3, the division shall, in addition to 26 criminal penalties fixed for violation of that 27 subsection, assess a civil penalty as follows:
 - A first violation shall subject the retailer to 29 a civil penalty in the amount of five hundred dollars.
 - b. A second violation within two years shall 31 subject the retailer to a thirty=day suspension of the 32 retailer's license and a civil penalty in the amount 33 of one thousand five hundred dollars.
 - c. A third violation within three years shall 35 subject the retailer to a sixty=day suspension of the 36 retailer's license and a civil penalty in the amount 37 of one thousand five hundred dollars.
 - d. A fourth violation within three years shall 39 result in revocation of the retailer's license.
 - e. For purposes of this subsection:
 - The date of any violation shall be used in 42 determining the period between violations.
 - (2) Suspension shall be limited to the specific 44 license for the premises found in violation. 45 Sec. 25. Section 99G.33, Code 2005, is amended to
- 6 6 46 read as follows: 6 47
 - 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

The department of public safety, division of 49 criminal investigation, shall be the primary state 50 agency responsible for investigating criminal 1 violations under this chapter. The chief executive 2 officer shall contract with the department of public 3 safety for investigative services, including the employment of special agents and support personnel, and procurement of necessary equipment to carry out the responsibilities of the division of criminal investigation under the terms of the contract and this 8 chapter. The contract shall provide, at a minimum, 9 for random checks of retailers at all hours for 10 compliance with the provisions of this chapter,

- especially as it relates to the purchase of lottery products or access to monitor vending machines by a
- 7 13 person who has not reached the age of twenty=one.
 7 14 Sec. 26. Section 99G.39, subsection 1, paragraph
 7 15 a, Code 2005, is amended to read as follows:
- a. An amount equal to one=half of one percent of 7 17 the gross lottery revenue for the year shall be

7 18 deposited in the gambling treatment fund created in 7 19 section 135.150. <u>However, an amount equal to one</u> 20 percent of the gross lottery revenue for the year 21 derived from monitor vending machines shall be 22 deposited in the gambling treatment fund created in 7 23 section 135.150. Sec. 27. Section 99G.40, subsection 4, Code 2005, 25 is amended to read as follows: 4. For informational purposes only Consistent with 27 the requirements of section 8.23, the chief executive 28 officer shall submit to the department of management 29 by October 1 of each year a proposed operating budget 30 for the authority division for the succeeding fiscal 31 year. This budget proposal shall also be accompanied 32 by an estimate of the net proceeds to be deposited 33 into the general fund during the succeeding fiscal 34 year. This budget shall be on forms prescribed by the 35 department of management. A copy of the information 36 required to be submitted to the department of 37 management pursuant to this subsection shall be 38 submitted to the legislative government oversight 39 committees and the legislative services agency by 40 October 1 of each year. 41 Sec. 28. Section 321.19, subsection 1, unnumbered 42 paragraph 2, Code Supplement 2005, is amended to read 7 7 43 as follows: The department shall furnish, on application, free 45 of charge, distinguishing plates for vehicles thus 46 exempted, which plates except plates on state patrol 47 vehicles shall bear the word "official" and the 48 department shall keep a separate record. Registration 49 plates issued for state patrol vehicles, except 50 unmarked patrol vehicles, shall bear two red stars on 1 a yellow background, one before and one following the 8 registration number on the plate, which registration 3 number shall be the officer's badge number. 8 4 Registration plates issued for county sheriff's patrol 5 vehicles shall display one seven-pointed gold star 6 followed by the letter "S" and the call number of the 8 8 7 vehicle. However, the director of the department of 8 administrative services or the director of 9 transportation may order the issuance of regular 10 registration plates for any exempted vehicle used by 11 peace officers in the enforcement of the law, persons 12 enforcing chapter 124 and other laws relating to 13 controlled substances, persons in the department of 14 justice, the alcoholic beverages division of the 15 department of commerce, disease investigators of the 16 Iowa department of public health, the department of 17 inspections and appeals, and the department of 18 revenue, who are regularly assigned to conduct 19 investigations which cannot reasonably be conducted 20 with a vehicle displaying "official" state 21 registration plates, persons in the Iowa lottery 22 authority division whose regularly assigned duties 23 relating to security or the carrying of lottery 24 tickets cannot reasonably be conducted with a vehicle 25 displaying "official" registration plates, and persons 26 in the department of economic development who are 27 regularly assigned duties relating to existing 28 industry expansion or business attraction. For 29 purposes of sale of exempted vehicles, the exempted 30 governmental body, upon the sale of the exempted 31 vehicle, may issue for in=transit purposes a 32 pasteboard card bearing the words "Vehicle in 33 Transit", the name of the official body from which the 34 vehicle was purchased, together with the date of the 35 purchase plainly marked in at least one=inch letters, 36 and other information required by the department. 37 in=transit card is valid for use only within forty= 38 eight hours after the purchase date as indicated on 39 the bill of sale which shall be carried by the driver. Section 725.12, subsections 2 and 5, Code 40 Sec. 29. 41 Supplement 2005, are amended to read as follows: 8 42 2. A commercial organization shall not conduct a 43 promotional activity that involves the sale of pull= 44 tab tickets or instant tickets, as defined in section 45 99G.3, coupons, or tokens that are not authorized by 46 the Iowa lottery authority division and that may 8 47 represent a chance to win a cash prize to be paid on

8 48 the premises where the chance to win such prize was

8 49 obtained. This subsection shall not be construed to 50 prohibit a commercial organization from giving away 1 pull=tab tickets, instant tickets, coupons, or tokens 2 free of charge as part of a promotional activity, 3 provided that the other provisions of this section are 4 complied with. For purposes of this subsection, "cash" means United States currency.

Upon request of the Iowa lottery authority 7 division or the division of criminal investigation of 8 the department of public safety, the attorney general 9 shall institute in the name of the state the proper 10 proceedings against a person charged in such request 11 with violating this section, and a county attorney 12 may, at the request of the attorney general, appear 13 and prosecute an action when brought in the county

14 attorney's county.
15 Sec. 30. Section 805.8C, subsection 5, Code
16 Supplement 2005, is amended to read as follows:
17 5. GAMBLING VIOLATIONS. For violations of legal

9 18 age for gambling wagering under section 99D.11, 9 19 subsection 7, section 99F.9, subsection 5, section 20 99G.30B, subsection 1, and section 725.19, subsection 21 1, the scheduled fine is five hundred dollars. 22 Failure to pay the fine by a person under the age of 23 eighteen shall not result in the person being detained 24 in a secure facility.

2003 Iowa Acts, chapter 178, section 120, Sec. 31.

26 is repealed. 27

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AMENDMENTS CHANGING TERMINOLOGY == Sec. 32. 28 DIRECTIVE TO CODE EDITOR. Except as otherwise 29 provided in the Act, the Iowa Code editor is directed 30 to strike the word "authority" and insert the word 31 "division" wherever the word "authority" appears in 32 chapter 99G unless a contrary intent is clearly

33 evident. 34 Sec. 33. MONITOR VENDING MACHINES == TRANSITION 35 PROVISIONS. The provisions of section 99G.30A, 36 subsection 1, paragraphs "a", "b", "c", "e", "f", 37 "h", shall not apply to monitor vending machines 38 authorized and either located on the premises of a 39 retailer or ordered by a retailer from an authorized 40 manufacturer of monitor vending machines by January 7, 41 2006, until July 1, 2007.

IOWA LOTTERY DIVISION == TRANSITION Sec. 34. 43 PROVISIONS.

1. For purposes of this section, unless the context 9 45 otherwise requires:

46 a. "Iowa lottery authority" means the Iowa lottery 47 authority created in 2003 Iowa Acts, chapter 178.

b. "Iowa lottery division" means the Iowa lottery 49 division of the department of inspections and appeals 50 as created in this Act under chapter 99G.

2. The Iowa lottery division shall be the legal 2 successor to the Iowa lottery authority and, as such, 3 shall assume all rights, privileges, obligations, and 4 responsibilities of the Iowa lottery authority. The 5 promulgated rules of the Iowa lottery authority shall 6 remain in full force and effect as the rules of the 7 division until amended or repealed by the division. 8 In addition, the Iowa lottery division may continue the security practices and procedures utilized by the 10 10 Iowa lottery authority until amended or repealed by 10 11 the division.

3. Notwithstanding any provision of chapter 99G, 10 13 as amended by this Act, to the contrary, the chief 10 14 executive officer of the Iowa lottery authority shall 10 15 serve as the initial chief executive officer of the 10 16 Iowa lottery division. In addition, notwithstanding any provision of section 99G.5 to the contrary, the 10 18 initial term of office for the chief executive officer 10 19 of the Iowa lottery division as of the effective date 10 20 of this Act shall end April 30, 2008.

4. Personnel of the Iowa lottery authority 10 21 10 22 employed on the effective date of this Act shall 10 23 transition to the Iowa lottery division as the initial 10 24 division employees.

In order to effect an immediate and efficient 10 26 transition of the lottery from the Iowa lottery 27 authority to the Iowa lottery division, as soon as 10 28 practicable, the Iowa lottery division shall do all of 10 29 the following:

10 30 Take such steps and enter into such agreements 10 31 as the board of the Iowa lottery division may 10 32 determine are necessary and proper in order to effect 10 33 the transfer, assignment, and delivery to the division 10 34 from the authority all the tangible and intangible 10 35 assets constituting the lottery, including the 10 36 exclusive right to operate the lottery and the 37 assignment to and assumption by the division of all 10 10 38 agreements, covenants, and obligations of the Iowa 10 39 lottery authority relating to the operation and 10 40 management of the lottery. b. Receive as transferee from the Iowa lottery 10 41 10 42 authority all of the tangible and intangible assets 10 43 constituting the lottery including, without 10 44 limitation, the exclusive authorization to operate a 10 45 lottery in the state of Iowa and ownership of 10 46 annuities and bonds purchased prior to the date of 10 47 transfer and held in the name of the Iowa lottery 10 48 authority for payment of lottery prizes, and shall 10 49 assume and discharge all of the agreements, covenants, 10 50 and obligations of the Iowa lottery authority entered 11 1 into and constituting part of the operation and 11 2 management of the lottery.> 3 #2. Title page, by striking lines 1 and 2 and 4 inserting the following: <An Act concerning the Iowa 11 11 11 5 lottery relating to the operation of the lottery, 11 6 including provisions on authorized lottery games and 11 7 machines, and providing penalties.> 11 8 ± 3 . By renumbering as necessary. 11 11 10 11 11 11 12 ELGIN of Linn 11 13 HF 2627.301 81

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